

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 58

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Bill Tallman

AN ACT

RELATING TO ELECTRIC MOTOR VEHICLES; CREATING THE ELECTRIC
VEHICLE INCOME TAX CREDIT; CREATING THE ELECTRIC VEHICLE
CHARGING UNIT INCOME TAX CREDIT; REQUIRING AN ADDITIONAL
REGISTRATION FEE FOR ELECTRIC AND PLUG-IN HYBRID ELECTRIC
VEHICLES; PROVIDING THAT THE ADDITIONAL REGISTRATION FEES BE
DISTRIBUTED TO THE STATE ROAD FUND AND THE LOCAL GOVERNMENTS
ROAD FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] ELECTRIC VEHICLE INCOME TAX CREDIT.--

A. A taxpayer who is not a dependent of another
individual and who, beginning on the effective date of this
section and prior to January 1, 2026, purchases an electric

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 vehicle or enters into a new lease of at least three years for
2 an electric vehicle, may claim a credit against the taxpayer's
3 tax liability imposed pursuant to the Income Tax Act in an
4 amount provided in Subsection B of this section. The tax
5 credit provided by this section may be referred to as the
6 "electric vehicle income tax credit".

7 B. The electric vehicle income tax credit shall be
8 in an amount equal to two thousand five hundred dollars
9 (\$2,500), except that a taxpayer who meets the following
10 requirements shall be allowed a credit in an amount equal to
11 five thousand dollars (\$5,000):

12 (1) a taxpayer who files as a single
13 individual with an adjusted gross income of fifty thousand
14 dollars (\$50,000) or less for the taxable year prior to the
15 calendar year in which the electric vehicle was purchased or
16 the lease was entered into;

17 (2) a taxpayer who files as a married
18 individual filing a separate return with an adjusted gross
19 income of thirty-seven thousand five hundred dollars (\$37,500)
20 or less for the taxable year prior to the calendar year in
21 which the electric vehicle was purchased or the lease was
22 entered into; or

23 (3) a taxpayer who files as a head of
24 household or surviving spouse, or taxpayers who file as married
25 individuals filing a joint return, with an adjusted gross

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 income of seventy-five thousand dollars (\$75,000) or less for
2 the taxable year prior to the calendar year in which the
3 electric vehicle was purchased or the lease was entered into.

4 C. A taxpayer shall apply for certification of
5 eligibility for the electric vehicle income tax credit from the
6 department on forms and in the manner prescribed by the
7 department. Except as provided in Subsection G of this
8 section, only one electric vehicle income tax credit shall be
9 allowed for each electric vehicle purchased or leased. The
10 aggregate amount of electric vehicle income tax credits that
11 may be certified as eligible in any calendar year is ten
12 million dollars (\$10,000,000). Completed applications shall be
13 considered in the order received. Applications for
14 certification received after this limitation has been met in a
15 calendar year shall not be approved. The application shall
16 include proof of the electric vehicle's registration, or the
17 contract for any lease if the taxpayer is leasing the electric
18 vehicle, the taxpayer's return for the taxable year prior to
19 the calendar year in which the electric vehicle was purchased
20 or the lease was entered into and any additional information
21 that the department may require to determine eligibility for
22 the credit. The department shall issue a dated certificate of
23 eligibility to the taxpayer providing the amount of the
24 electric vehicle income tax credit for which the taxpayer is
25 eligible and the taxable year in which the credit may be

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 claimed for an electric vehicle that was purchased or, in the
2 case of an electric vehicle that is leased, the three taxable
3 years in which the credit may be claimed.

4 D. A taxpayer certified to claim an electric
5 vehicle income tax credit for an electric vehicle that is
6 leased shall be allowed to claim one-third of the amount of
7 credit allowed pursuant to Subsection B of this section for the
8 first and second taxable years in which the credit is claimed
9 and the remaining amount in the third taxable year; provided
10 that the lease the taxpayer entered into was in effect for the
11 taxable year in which the amount of credit will be applied.

12 E. Applications for certification of an electric
13 vehicle income tax credit shall be made no later than one
14 calendar year from the date in which the electric vehicle is
15 purchased or the lease is entered into.

16 F. That portion of an approved electric vehicle
17 income tax credit claimed by a taxpayer that exceeds the
18 taxpayer's income tax liability in the taxable year in which an
19 electric vehicle income tax credit is claimed shall be refunded
20 to the taxpayer.

21 G. Married individuals filing separate returns for
22 a taxable year for which they could have filed a joint return
23 may each claim only one-half of the electric vehicle income tax
24 credit that would have been claimed on a joint return.

25 H. A taxpayer shall submit to the department

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 information required by the department with respect to the
2 purchase or lease of an electric vehicle by the taxpayer during
3 the taxable year for which the electric vehicle income tax
4 credit is claimed.

5 I. A taxpayer allowed an electric vehicle income
6 tax credit shall report the amount of the tax credit to the
7 department on a form and in a manner required by the
8 department.

9 J. The department shall compile an annual report on
10 the electric vehicle income tax credit that shall include the
11 number of taxpayers approved by the department to receive the
12 tax credit, the aggregate amount of tax credits approved and
13 any other information necessary to evaluate the tax credit.
14 The department shall compile and present the annual report to
15 the revenue stabilization and tax policy committee and the
16 legislative finance committee with an analysis of the cost of
17 the tax credit.

18 K. As used in this section:

19 (1) "electric vehicle" means a new motor
20 vehicle that derives all or part of the vehicle's power from
21 electricity stored in a battery that:

22 (a) has a capacity of not less than six
23 kilowatt-hours;

24 (b) is capable of powering the vehicle
25 for a range of at least fifteen miles; and

.218733.2

underscored material = new
[bracketed material] = delete

1 (c) is capable of being recharged from
2 an external source of electricity; and

3 (2) "motor vehicle" means a vehicle with four
4 wheels that:

5 (a) is required under the Motor Vehicle
6 Code to be registered in this state;

7 (b) is made by a manufacturer;

8 (c) has a base manufacturer suggested
9 retail price, before options and destination charges, of
10 forty-eight thousand dollars (\$48,000) or less, before any
11 taxes are imposed;

12 (d) is manufactured primarily for use on
13 public streets, roads or highways;

14 (e) has not been modified from the
15 original manufacturer specifications;

16 (f) is rated at not less than two
17 thousand two hundred pounds unloaded base weight and not more
18 than nine thousand seven hundred fifty pounds unloaded base
19 weight; and

20 (g) has a maximum speed capability of at
21 least sixty-five miles per hour."

22 SECTION 2. A new section of the Income Tax Act is enacted
23 to read:

24 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX
25 CREDIT.--

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 A. For taxable years beginning prior to January 1,
2 2026, a taxpayer who is not a dependent of another individual
3 and who purchases and installs an electric vehicle charging
4 unit may claim a credit against the taxpayer's tax liability
5 imposed pursuant to the Income Tax Act. The tax credit
6 provided by this section may be referred to as the "electric
7 vehicle charging unit income tax credit".

8 B. The electric vehicle charging unit income tax
9 credit shall not exceed three hundred dollars (\$300) or the
10 cost to purchase and install an electric vehicle charging unit,
11 whichever is less.

12 C. A taxpayer shall apply for certification of
13 eligibility for the electric vehicle charging unit income tax
14 credit from the department on forms and in the manner
15 prescribed by the department. The aggregate amount of electric
16 vehicle charging unit income tax credits that may be certified
17 as eligible in any calendar year is one million dollars
18 (\$1,000,000). Completed applications shall be considered in
19 the order received. Applications for certification received
20 after this limitation has been met in a calendar year shall not
21 be approved. The application shall include a receipt for the
22 purchase of the electric vehicle charging unit, a copy of the
23 data sheet that specifies the connector type, plug type,
24 voltage and current of the electric vehicle charging unit and
25 any additional information that the department may require to

.218733.2

underscored material = new
~~[bracketed material] = delete~~

1 determine eligibility for the credit. The department shall
2 issue a dated certificate of eligibility to the taxpayer
3 providing the amount of the electric vehicle charging unit
4 income tax credit for which the taxpayer is eligible and the
5 taxable year in which the credit may be claimed.

6 D. Applications for certification of an electric
7 vehicle charging unit income tax credit shall be made no later
8 than one calendar year from the date in which the electric
9 vehicle charging unit for which the credit is claimed is
10 purchased and installed.

11 E. That portion of an electric vehicle charging
12 unit income tax credit that exceeds a taxpayer's income tax
13 liability in the taxable year in which an electric vehicle
14 charging unit income tax credit is claimed shall be refunded to
15 the taxpayer.

16 F. Married individuals filing separate returns for
17 a taxable year for which they could have filed a joint return
18 may each claim only one-half of the electric vehicle charging
19 unit income tax credit that would have been claimed on a joint
20 return.

21 G. A taxpayer may be allocated the right to claim
22 an electric vehicle charging unit income tax credit in
23 proportion to the taxpayer's ownership interest if the taxpayer
24 owns an interest in a business entity that is taxed for federal
25 income tax purposes as a partnership or limited liability

.218733.2

underscored material = new
~~[bracketed material] = delete~~

1 company and that business entity has met all of the
2 requirements to be eligible for the tax credit. The total tax
3 credit claimed by all members of the partnership or limited
4 liability company shall not exceed the allowable tax credit
5 pursuant to Subsection B of this section.

6 H. A taxpayer allowed a tax credit pursuant to this
7 section shall report the amount of the tax credit to the
8 department in a manner required by the department.

9 I. The department shall compile an annual report on
10 the electric vehicle charging unit income tax credit that shall
11 include the number of taxpayers approved by the department to
12 receive the tax credit, the aggregate amount of tax credits
13 approved and any other information necessary to evaluate the
14 effectiveness of the tax credit. The department shall present
15 the annual report to the revenue stabilization and tax policy
16 committee and the legislative finance committee with an
17 analysis of the effectiveness and cost of the tax credit and
18 whether the tax credit is performing the purpose for which it
19 was created.

20 J. As used in this section:

21 (1) "electric vehicle" means a motor vehicle
22 subject to the registration fee pursuant to Section 66-6-2 or
23 66-6-4 NMSA 1978 that derives all or part of the vehicle's
24 power from electricity stored in a battery that:

25 (a) has a capacity of not less than six

underscored material = new
[bracketed material] = delete

1 kilowatt-hours;

2 (b) is capable of powering the vehicle
3 for a range of at least fifteen miles; and

4 (c) is capable of being recharged from
5 an external source of electricity; and

6 (2) "electric vehicle charging unit" means a
7 device that:

8 (a) is used to provide electricity to an
9 electric vehicle;

10 (b) is designed to create a connection
11 between an electricity source and the electric vehicle;

12 (c) communicates with the electric
13 vehicle's control system to ensure that electricity flows at an
14 appropriate voltage and current level; and

15 (d) is installed on residential property
16 located in the state."

17 SECTION 3. A new section of the Motor Vehicle Code is
18 enacted to read:

19 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND
20 PLUG-IN HYBRID ELECTRIC VEHICLES.--

21 A. For registration of vehicles subject to the
22 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
23 1978, there is imposed an additional annual fee of one hundred
24 dollars (\$100) for which an electric vehicle with a gross
25 vehicle weight of twenty-six thousand pounds or less is

.218733.2

underscored material = new
~~[bracketed material] = delete~~

1 registered.

2 B. For registration of vehicles subject to the
3 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
4 1978, there is imposed an additional annual fee of fifty
5 dollars (\$50.00) for which a plug-in hybrid electric vehicle
6 with a gross vehicle weight of twenty-six thousand pounds or
7 less is registered.

8 C. All fees collected pursuant to this section
9 shall be paid to the state treasurer to the credit of the motor
10 vehicle suspense fund with distribution in accordance with
11 Section 66-6-23 NMSA 1978.

12 D. As used in this section:

13 (1) "electric vehicle" means a motor vehicle
14 that derives all of the vehicle's power from electricity stored
15 in a battery that:

16 (a) has a capacity of not less than six
17 kilowatt-hours;

18 (b) is capable of powering the vehicle
19 for a range of at least fifteen miles; and

20 (c) is capable of being recharged from
21 an external source of electricity; and

22 (2) "plug-in hybrid electric vehicle" means a
23 motor vehicle that derives part of the vehicle's power from
24 electricity stored in a battery that:

25 (a) has a capacity of not less than six

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 kilowatt-hours;

2 (b) is capable of powering the vehicle
3 for a range of at least fifteen miles; and

4 (c) is capable of being recharged from
5 an external source of electricity."

6 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,
7 Chapter 35, Section 358, as amended) is amended to read:

8 "66-6-23. DISPOSITION OF FEES.--

9 A. After the necessary disbursements for refunds
10 and other purposes have been made, the money remaining in the
11 motor vehicle suspense fund, except for remittances received
12 within the previous two months that are unidentified as to
13 source or disposition, shall be distributed as follows:

14 (1) to each municipality, county or fee agent
15 operating a motor vehicle field office:

16 (a) an amount equal to six dollars
17 (\$6.00) per driver's license and five dollars (\$5.00) per
18 identification card or motor vehicle or motorboat registration
19 or title transaction performed;

20 (b) for each such agent determined by
21 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
22 performed ten thousand or more transactions in the preceding
23 fiscal year, other than a class A county with a population
24 exceeding three hundred thousand or a municipality with a
25 population exceeding three hundred thousand that has been

.218733.2

underscoring material = new
[bracketed material] = delete

1 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,
2 an amount equal to one dollar (\$1.00) in addition to the amount
3 distributed pursuant to Subparagraph (a) of this paragraph for
4 each driver's license, identification card, motor vehicle
5 registration, motorboat registration or title transaction
6 performed; and

7 (c) to each military installation
8 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
9 1978, an amount equal to one dollar fifty cents (\$1.50) in
10 addition to the amount distributed pursuant to Subparagraph (a)
11 of this paragraph for each administrative service fee remitted
12 by the military installation to the department pursuant to
13 Subsection A of Section 66-2-16 NMSA 1978;

14 (2) to each municipality or county, other than
15 a class A county with a population exceeding three hundred
16 thousand or a municipality with a population exceeding three
17 hundred thousand that has been designated as an agent pursuant
18 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
19 office, an amount equal to one dollar fifty cents (\$1.50) for
20 each administrative service fee remitted by that county or
21 municipality to the department pursuant to the provisions of
22 Subsection A of Section 66-2-16 NMSA 1978;

23 (3) to the state road fund:

24 (a) an amount equal to the fees
25 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA

.218733.2

underscored material = new
[bracketed material] = delete

1 1978;

2 (b) an amount equal to the fee collected
3 pursuant to Section 66-3-417 NMSA 1978;

4 (c) the remainder of each driver's
5 license fee collected by the department employees from an
6 applicant to whom a license is granted after deducting from the
7 driver's license fee the amount of the distribution authorized
8 in Paragraph (1) of this subsection with respect to that
9 collected driver's license fee; ~~and~~

10 (d) an amount equal to fifty percent of
11 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

12 (e) an amount equal to seventy-seven
13 percent of the fees collected pursuant to Section 3 of this
14 2021 act;

15 (4) to the local governments road fund:

16 (a) the amount of the fees collected
17 pursuant to Subsection B of Section 66-5-33.1 NMSA 1978 and the
18 remainder of the fees collected pursuant to Subsection A of
19 Section 66-5-408 NMSA 1978; and

20 (b) an amount equal to twenty-three
21 percent of the fees collected pursuant to Section 3 of this
22 2021 act;

23 (5) to the department:

24 (a) any amounts reimbursed to the
25 department pursuant to Subsection D of Section 66-2-14.1 NMSA

.218733.2

underscored material = new
[bracketed material] = delete

1 1978;

2 (b) an amount equal to two dollars
3 (\$.00) of each motorcycle registration fee collected pursuant
4 to Section 66-6-1 NMSA 1978;

5 (c) an amount equal to the fees provided
6 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
7 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
8 66-3-6 NMSA 1978 other than the administrative fee, Subsection
9 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
10 66-5-408 NMSA 1978;

11 (d) the amounts due to the department
12 for the manufacture and issuance of a special registration
13 plate collected pursuant to the section of law authorizing the
14 issuance of the specialty plate;

15 (e) an amount equal to the registration
16 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
17 purposes of enforcing the provisions of the Mandatory Financial
18 Responsibility Act and for creating and maintaining a
19 multilanguage noncommercial driver's license testing program;
20 and after those purposes are met, the balance of the
21 registration fees shall be distributed to the department to
22 defray the costs of operating the [~~motor vehicle~~] division;

23 (f) an amount equal to fifty cents
24 (\$.50) for each administrative fee remitted to the department
25 by a county or municipality operating a motor vehicle field

.218733.2

underscoring material = new
[bracketed material] = delete

1 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

2 (g) an amount equal to one dollar
3 twenty-five cents (\$1.25) for each administrative fee collected
4 by the department or any of its agents other than a county or
5 municipality operating a motor vehicle field office pursuant to
6 Subsection A of Section 66-2-16 NMSA 1978; and

7 (h) an amount equal to the royalties or
8 other consideration paid by commercial users of databases of
9 motor vehicle-related records of the department pursuant to
10 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of
11 defraying the costs of maintaining databases of motor vehicle-
12 related records of the department; and after that purpose is
13 met, the balance of the royalties and other consideration shall
14 be distributed to the department to defray the costs of
15 operating the [~~motor vehicle~~] division or for use pursuant to
16 Subsection F of Section 66-6-13 NMSA 1978;

17 (6) to each New Mexico institution of higher
18 education, an amount equal to that part of the fees distributed
19 pursuant to Paragraph (2) of Subsection D of Section 66-3-416
20 NMSA 1978 proportionate to the number of special registration
21 plates issued in the name of the institution to all such
22 special registration plates issued in the name of all
23 institutions;

24 (7) to the armed forces veterans license fund,
25 the amount to be distributed pursuant to Paragraph (2) of

.218733.2

underscoring material = new
~~[bracketed material] = delete~~

1 Subsection E of Section 66-3-419 NMSA 1978;

2 (8) to the children's trust fund, the amount
3 to be distributed pursuant to Paragraph (2) of Subsection D of
4 Section 66-3-420 NMSA 1978;

5 (9) to the department of transportation, an
6 amount equal to the fees collected pursuant to Section 66-5-35
7 NMSA 1978;

8 (10) to the state equalization guarantee
9 distribution made annually pursuant to the general
10 appropriation act, an amount equal to one hundred percent of
11 the driver safety fee collected pursuant to Subsection D of
12 Section 66-5-44 NMSA 1978;

13 (11) to the motorcycle training fund, two
14 dollars (\$.00) of each motorcycle registration fee collected
15 pursuant to Section 66-6-1 NMSA 1978;

16 (12) to the recycling and illegal dumping
17 fund:

18 (a) fifty cents (\$.50) of the tire
19 recycling fee collected pursuant to the provisions of Section
20 66-6-1 NMSA 1978;

21 (b) fifty cents (\$.50) of each of the
22 tire recycling fees collected pursuant to the provisions of
23 Sections 66-6-2 and 66-6-4 NMSA 1978; and

24 (c) twenty-five cents (\$.25) of each of
25 the tire recycling fees collected pursuant to Sections 66-6-5

.218733.2

underscored material = new
~~[bracketed material] = delete~~

1 and 66-6-8 NMSA 1978;

2 (13) to the highway infrastructure fund:

3 (a) fifty cents (\$.50) of the tire
4 recycling fee collected pursuant to the provisions of Section
5 66-6-1 NMSA 1978;

6 (b) one dollar (\$1.00) of each of the
7 tire recycling fees collected pursuant to the provisions of
8 Sections 66-6-2 and 66-6-4 NMSA 1978; and

9 (c) twenty-five cents (\$.25) of each of
10 the tire recycling fees collected pursuant to Sections 66-6-5
11 and 66-6-8 NMSA 1978;

12 (14) to each county, an amount equal to fifty
13 percent of the fees collected pursuant to Section 66-6-19 NMSA
14 1978 multiplied by a fraction, the numerator of which is the
15 total mileage of public roads maintained by the county and the
16 denominator of which is the total mileage of public roads
17 maintained by all counties in the state;

18 (15) to the litter control and beautification
19 fund, an amount equal to the fees collected pursuant to Section
20 66-6-6.2 NMSA 1978;

21 (16) to the local government division of the
22 department of finance and administration, an amount equal to
23 the fees collected pursuant to Section 66-3-424.3 NMSA 1978 for
24 distribution to each county to support animal control spaying
25 and neutering programs in an amount proportionate to the number

.218733.2

underscored material = new
[bracketed material] = delete

1 of residents of that county who have purchased pet care special
2 registration plates pursuant to Section 66-3-424.3 NMSA 1978;
3 and

4 (17) to the Cumbres and Toltec scenic railroad
5 commission, twenty-five dollars (\$25.00) collected pursuant to
6 the Cumbres and Toltec scenic railroad special registration
7 plate.

8 B. The balance, exclusive of unidentified
9 remittances, shall be distributed in accordance with Section
10 66-6-23.1 NMSA 1978.

11 C. If any of the paragraphs, subsections or
12 sections referred to in Subsection A of this section are
13 recompiled or otherwise redesignated without a corresponding
14 change to Subsection A of this section, the reference in
15 Subsection A of this section shall be construed to be the
16 recompiled or redesignated paragraph, subsection or section."

17 SECTION 5. APPLICABILITY.--The provisions of Sections 1
18 and 2 of this act apply to taxable years beginning on or after
19 January 1, 2021.

20 SECTION 6. EFFECTIVE DATE.--The effective date of the
21 provisions of Sections 3 and 4 of this act is January 1, 2022.